



Director of
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USSR: Apparent Policy Differences

The dissimilarities yesterday in General Secretary Andropov's remarks and Party Secretary Chernenko's speech to the plenum suggest a lack of consensus in the leadership on some important policy issues. [redacted]

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Andropov took a tough line when he talked about prospects for an improvement in relations with the US. He made no reference to detente or disarmament. He also stated "imperialists will never meet our pleas for peace," stressing that the USSR's security could be guaranteed only by military might. [redacted]

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Chernenko emphasized that defense capabilities depend ultimately on the country's economic growth, and implicitly called for constraints on military spending. His reference to detente and disarmament were positive. [redacted]

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Before Brezhnev's death, Chernenko had urged restraint in dealing with the US. He had noted that Moscow was prepared to wait until Washington was ready to negotiate and had expressed confidence that "common sense" would prevail in the West. [redacted]

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Comment: Andropov's elevation clearly has not ended his political competition with Chernenko. The latter would not have taken a different line if he did not believe that his policies have some support within the elite. Debate over policy will be closely intertwined with maneuvering for political advantage and could bring about further shifts in the leadership lineup. [redacted]

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The leadership probably is now reviewing its economic, military, and foreign priorities in preparation for the Supreme Soviet's ratification of the annual plan and budget in 10 days. In coming months the Politburo will make further decisions about the distribution of power in the new leadership, and the new appointments may provide clues about the direction of policy. [redacted]

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Attendance at the Funeral

Many nations have still not announced who will lead their delegations to Brezhnev's funeral. Among those that have, however, there are few surprises.

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The West Europeans generally have designated their Foreign Ministers. A few, including, Greece, Canada, France, and Belgium, are leaning toward representation by Prime Ministers. Sweden and Finland will have the highest level representation--the Prime Minister and President, respectively.

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The East Europeans will send their top party and state officials.

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Japan's delegation will be headed by Prime Minister Suzuki. Prime Minister Gandhi will represent India. China, which has played Brezhnev's death in low-key terms, announced today that its representative would be Foreign Minister Huang Hua.

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Among the developing countries, the head of delegation varies with the closeness of relations with the USSR. Ethiopia, Nicaragua, and Vietnam are among those already committed to sending top-level officials.

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WESTERN EUROPE - LATIN AMERICA: Socialists' Position

//Activist groups dominated the discussions of Latin American affairs by the Socialist International last week, resulting in more support for radicals in the region.//

//The executive committee drafted a resolution condemning the arrest of opposition figures in El Salvador and emphasizing its unconditional support for the National Revolutionary Movement, a member of the International. The committee demands the US stop military aid to the government of El Salvador and again states that a political settlement between the government and the opposition is the only feasible way to peace.//

//The resolution welcomes the Nicaraguan regime's consideration of new laws allowing elections and more political freedom, while condemning alleged plans for military aggression against Nicaragua. The committee accepts the Sandinistas' invitation to send a factfinding mission to Nicaragua. It also condemns attempts to isolate the government of Grenada and supports the Puerto Rican Independence Party.//

Comment: //The Sandinistas and other Latin American parties critical of US policy dominated the session on Latin America. The arrests in El Salvador and media allegations of US military support for Nicaraguan opposition groups presumably influenced the debate. Most member parties, moreover, appear encouraged by the Sandinistas' recent political gestures.//

//The draft is a setback for the small group of West European parties that have been working for a tougher attitude by the International toward the Sandinistas and a lower profile on El Salvador. Central America will continue to be a subject of heated discussion within the International, however, and the committee's draft resolutions are still subject to modification before they are debated at the organization's congress in April.//

//Most of the influential West European delegates at the meeting focused primarily on the Middle East. No decisions were made, however, because of a stalemate between pro-Palestinian parties and the Israeli Labor Party.//

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JAPAN: Political Developments

Opinion polls in Japan are giving Yasuhiro Nakasone the lead in the race to succeed Prime Minister Suzuki as president of the Liberal Democratic Party and, thereby, as prime minister. [redacted]

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//A poll of party members conducted early this month showed 50 percent supporting Nakasone, with Toshio Komoto a distant second. A survey of local party officials also found Nakasone to have a substantial lead, [redacted]

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The primary ballots will be counted on 24 November, and on the following day the party members in the Diet are scheduled to select a new party president from among the top three votegetters. Government leaders now plan to convene the Diet on 26 November to elect a new prime minister. A new cabinet is to be named by 29 November.

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Comment: Nakasone is benefiting from the active and well-organized campaigning of the three major factions supporting him. Moreover, the poll results could have a bandwagon effect. [redacted]

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It is still not clear whether the factions opposing Nakasone will close ranks behind him if he wins the presidential election. A substantial victory in the primary, however, would put added pressure on them to do so. [redacted]

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ISRAEL-LEBANON: Explosion in Tyre

//Authorities in Tel Aviv report the explosion at the Israeli Army headquarters in Tyre on Thursday resulted in at least 47 Israeli deaths. The Israeli Cabinet yesterday appointed a commission of inquiry to report within a week on the facts surrounding the incident, the cause of which is still unknown. Two obscure Palestinian groups have claimed responsibility for the explosion.//

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Comment: //The Israelis probably will tighten security in southern Lebanon and may augment their forces there. Retaliation is likely if the commission determines a Palestinian group was responsible.//

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WEST GERMANY: Arrest of Terrorist Leaders

The arrest in Frankfurt on Thursday of two important leaders of the Red Army Faction, Brigitte Monhaupt and Adelheid Schulz, may disrupt any immediate terrorist plans but will not necessarily reduce the threat posed by this group in the near future. Under Monhaupt's direction, the Red Army Faction conducted some of its most spectacular attacks, including the bombing at Ramstein Air Base and the attempted murder of US Army Commander in Chief for Europe General Kroesen.

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Comment: The arrests will reduce, at least temporarily, the ability of the Red Army Faction to carry out kidnappings and other sophisticated operations against US or West German targets. They also may result, however, in a rash of low-level attacks on US installations and property in West Germany by supporters of the Red Army Faction. Several small terrorist groups have been responsible for at least 36 attacks on US property in the past two months.

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SAUDI ARABIA: Oil Production at a 10-Year Low

//Saudi Arabia produced just over 5.5 million barrels per day in October, continuing the downward trend of the first three quarters of the year. First-quarter production was 7.9 million barrels per day. Libya, Iran, and Nigeria found markets for their increased production by violating OPEC's \$34-per-barrel benchmark price.//

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Comment:

A price war over the next few months is still unlikely, however, because all oil producers realize that such a development would reduce revenues of all exporters. This could change if international demand for oil remains sluggish in 1983 and the discounters refuse to get in line. The OPEC ministerial meeting next month will provide an opportunity to reach some compromise on the dispute.//

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IRAN: Increase in Oil Output

Iranian oil production rose to 3 million barrels per day during the four-week period ending on 23 October. Exports averaged 2.5 million barrels per day. This is the highest rate since 1979. Tehran's current oil sales are yielding revenues of some \$2 billion per month.

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Comment: Export earnings are currently adequate to allow Iran to continue to finance the war and ease somewhat the import restrictions imposed last year. Iran probably is also building up foreign exchange reserves at a rate of \$500 million a month. Oil revenues in 1982 will reach about \$18 billion, as compared with \$11.5 billion last year and \$21.2 billion during 1978, the last year of the Shah's reign.

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CHAD: Dissident Operations

//Former President Goukouni recently announced the formation of a rival government based in Bardai in northern Chad, according to the Libyan press. Local traders say several Libyan planes unloaded Chadian personnel, supplies, and vehicles at the town. [redacted]

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Comment: Goukouni's move to form a rival government on Chadian soil is little more than a Libyan-backed propaganda effort. The Libyans may hope to seat Goukouni at the OAU summit tentatively scheduled to convene in Tripoli later this month, although Libyan leader Qadhafi probably would not push the issue if he believed it would jeopardize the summit. Qadhafi may prevent Goukouni from launching small-scale guerrilla operations until after the summit. Chadian President Habre during his many years as a guerrilla leader frequently staged pre-emptive strikes against factional rivals, and he may decide to move first. [redacted]

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PAKISTAN: Opposition Activity

Opposition politicians in Karachi have joined with lawyers to challenge President Zia's ban on political activity by bar associations. The courts last week sentenced the two top officers of the Karachi Bar Association for permitting a prominent People's Party leader to criticize the regime before the association. The lawyers and politicians have pledged to continue their campaign of opposition in order to embarrass Zia before his visit to the US next month. The head of the Karachi chapter of the Islamic party that tacitly supports Zia believes lawyers in Punjab will join the agitation if it continues much longer. [redacted]

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Comment: Zia has publicly accused the politicians of acting irresponsibly. He may adopt stronger measures if the agitation spreads to Punjab Province, the country's most important area. To remove one increasingly contentious issue, the regime has decided to allow People's Party Chairman Nusrat Bhutto to travel abroad to seek medical treatment for lung cancer. [redacted]

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CUBA: Status of Debt Rescheduling

The US Embassy in Paris reports that Cuba pressed hard for special consideration from its creditors during the preliminary rescheduling meeting recently held in Havana. President Castro personally met with members of the group and described Havana's "unique" problems. The Cubans agreed to creditor demands for more detailed economic data. Although the Cubans were not ready to discuss an economic recovery program, they agreed to prepare a plan before the next creditor nation meeting late this month in Paris. [redacted]

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Comment: Cuba's attempts to extract special treatment are unlikely to sway the financial representatives handling the negotiations. Castro probably will continue these efforts, however, by appealing to the leaders of Spain, France, and other countries that he believes are more sympathetic to Cuba. [redacted]

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COSTA RICA - USSR: New Soviet Ambassador

The Costa Rican Government reportedly has accepted a new Soviet Ambassador-designate after delaying action for six months. Costa Rican officials indicate, however, that they have no intention of filling their ambassadorial post in Moscow, which has been vacant since late last year. According to press reports, the Foreign Ministry has announced that 17 of 25 Soviet personnel accredited to San Jose have to leave immediately. [redacted]

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Comment: Since taking office in May, President Monge has been concerned over the size of the USSR's mission. He views it as a base from which Moscow tries to foment instability in Costa Rica and to influence less stable countries in Central America. The reduction order is one that Moscow probably anticipated in light of Monge's increasingly tough anti-Communist stance. [redacted]

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